

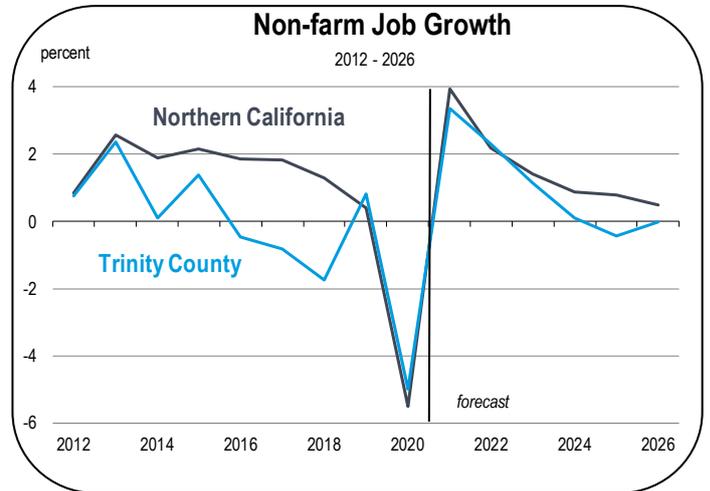
# Trinity County Economic Forecast

## Forecast Summary

- On an annual average basis, approximately 80 to 100 jobs will be restored in Trinity County during 2021, representing most of the jobs that were lost in 2020.
- A complete recovery is expected by 2022.
- Over the 2021-2026 forecast period, total employment in Trinity County is expected to increase by approximately 200 jobs.
- Healthcare and leisure services will account for half of all net job creation over the forecast period.
- The local agriculture industry is very small, but agriculture employment will expand faster than any other sector as Trinity County cannabis growers continue to enter the legal market.
- The unemployment rate averaged 8.0 percent in 2020.
- The unemployment rate is forecast to average 5.6 percent in 2021 and 5.3 percent in 2022.
- The Trinity County population is expected to decline during the 2021-2026 forecast period, contributing to broad-based economic stagnation.

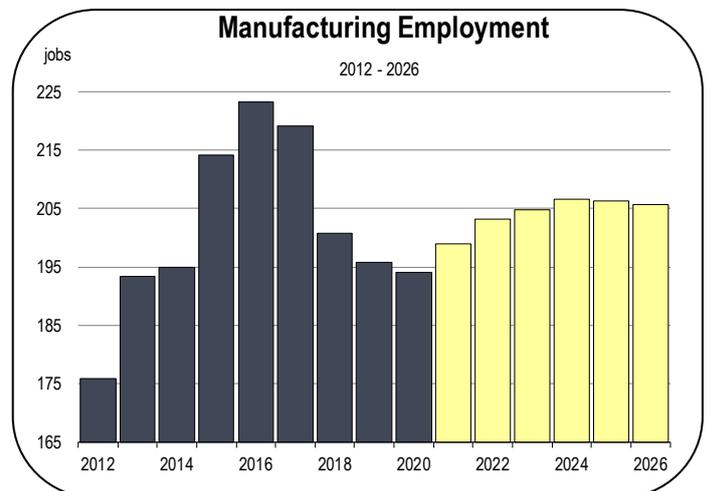
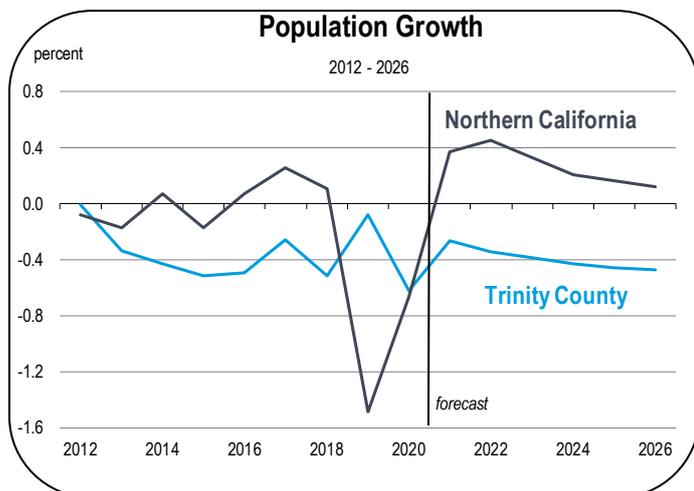
## Job Growth

- Total employment in Trinity County will expand by 3.6 percent in 2021 on an annual average basis.
- Job growth is expected to decelerate and could flat-line during the second half of the forecast period.

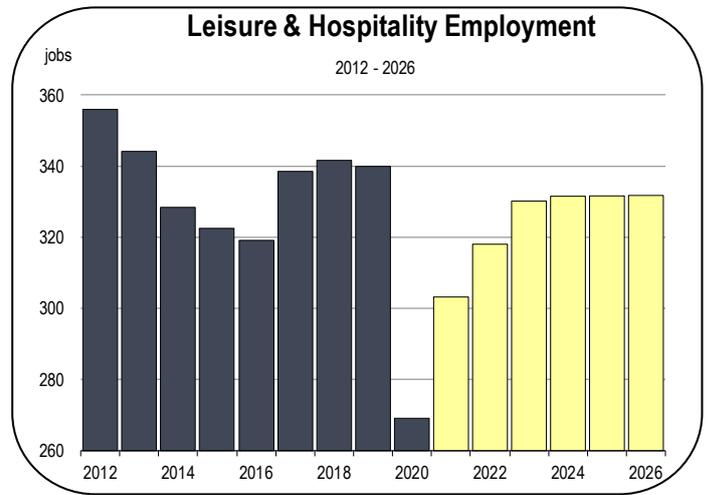
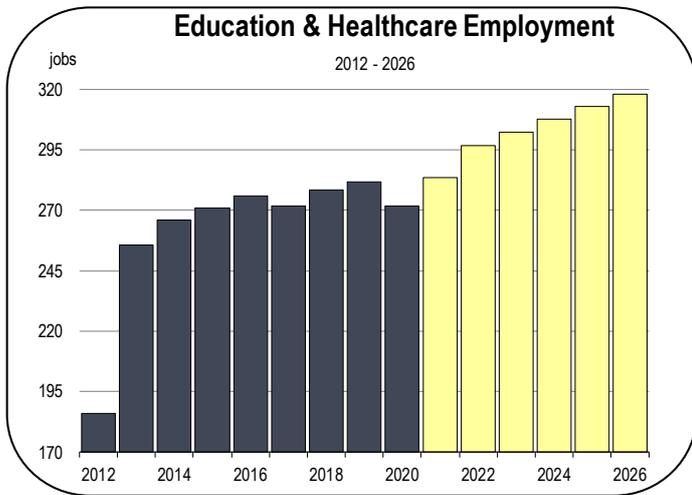


## Manufacturing Employment

- Trinity County manufacturing is concentrated in lumber production, and the largest employer is Trinity County Lumbar.
- Trinity County Lumbar is headquartered in Weaverville and was founded in 1947. The company's primary sawmill was destroyed several times by fires over the following decades, but has been rebuilt each time.
- As of 2021, the sawmill produced various types of lumbar out of Douglas fir and Hem fir trees, employing more than 100 workers.
- After a period of weakness that began in 2016, overall manufacturing employment is expected to remain relatively stable during the forecast period.



# Trinity County Economic Forecast



## Private Education and Healthcare Employment

- Substantial job growth is expected in the healthcare sector over the 2021-2026 forecast period.
- The largest healthcare employer is Mountain Communities Healthcare District, which has 50 patient beds and treats more than 100 patients per month.
- In 2022 and 2023, employee recruitment will be the biggest risk to job growth. Hospitals and other healthcare facilities have struggled to fill open positions during the COVID-19 pandemic, meaning that job creation will depend on the willingness and ability of local residents to enter the healthcare workforce.
- In Trinity County, there are very few jobs in private educational institutions. Most teachers and education administrators work in the government sector.

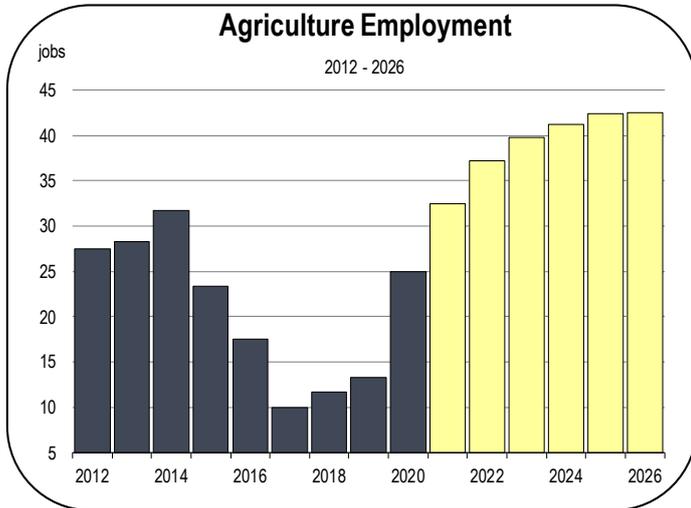
## Leisure and Hospitality Employment

- Trinity County has an expansive outdoor recreation industry. Visitors come to the county to boat on Trinity Lake, raft down Trinity River, and hike in the Trinity Alps Wilderness.
- The county also has approximately 25 hotels, 40 restaurants and food services establishments, and a handful of theaters and museums.
- In 2020, the leisure and hospitality sector lost approximately 20 percent of its workforce due to the Coronavirus Recession and related business/travel restrictions.
- Leisure and hospitality employment is expected to rebound slowly and a full recovery may not be observed during the 2021-2026 forecast period.



Trinity Lake

# Trinity County Economic Forecast



## Agriculture Employment

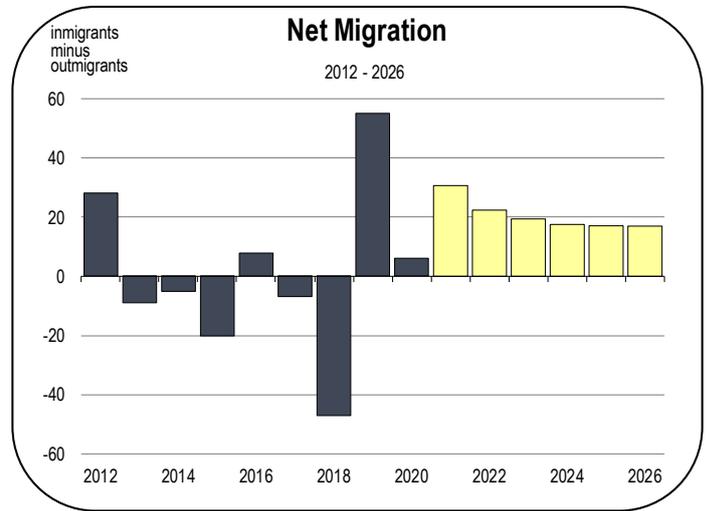
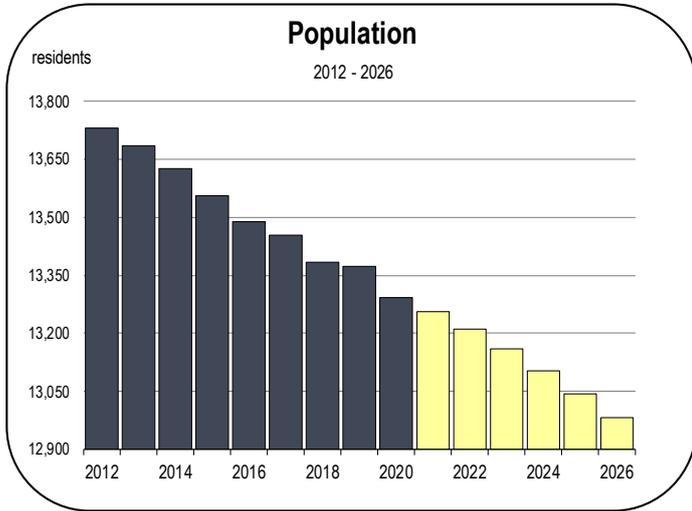
- The legal agriculture industry in Trinity County is small, employing just 25 workers, but it is expected to expand rapidly as Trinity County cannabis growers enter the legal market and their employees begin to be counted in official labor market data.
- Cannabis is the most prominent agricultural commodity in the county, and the local cannabis industry is dominated by small farms and greenhouses.

- In Trinity County, there were approximately 500 active cultivation permits that were spread across 370 growers in 2021, indicating that the average grower managed less than an acre of land or greenhouse space.
- By contrast, large cannabis businesses were more prominent across the rest of California. In one of the most prominent cannabis counties - Santa Barbara County - approximately 1,600 permits were held by just 67 growers.
- The supply of legal cannabis in California has begun to exceed demand, and prices have declined dramatically since the industry was legalized.
- Anecdotal evidence suggests that small growers have struggled to adapt to lower prices.
- Legal cannabis production in Trinity County should continue to expand, but may ultimately depend on the ability of small operations to adapt to market fluctuations or merge into larger entities with better profit margins.



Cannabis Greenhouse

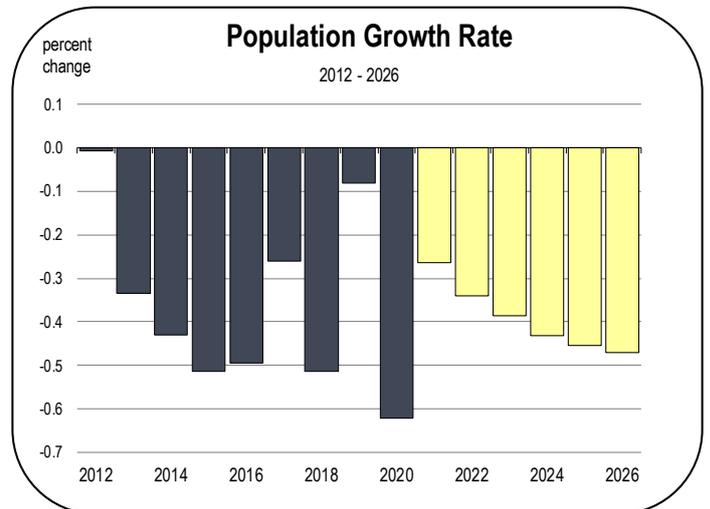
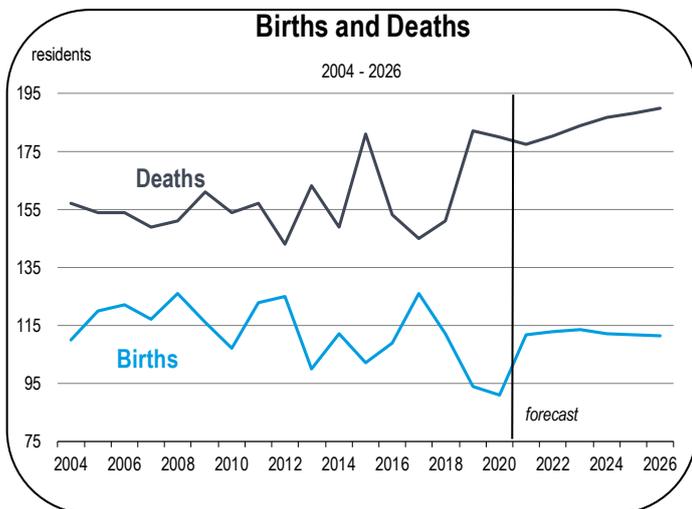
# Trinity County Economic Forecast



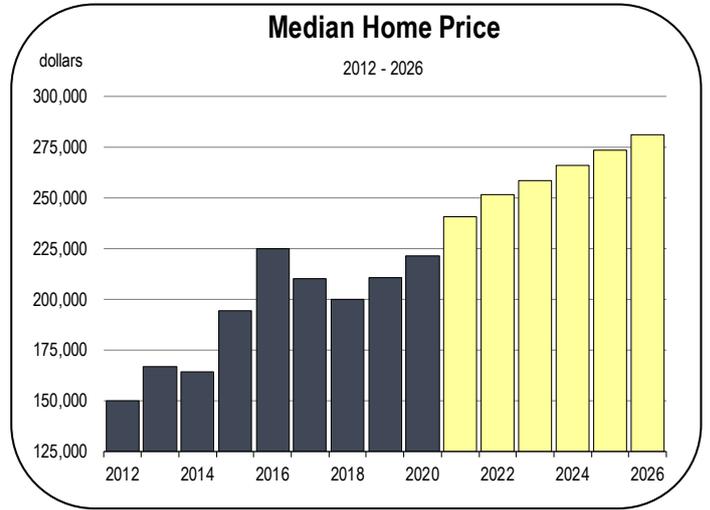
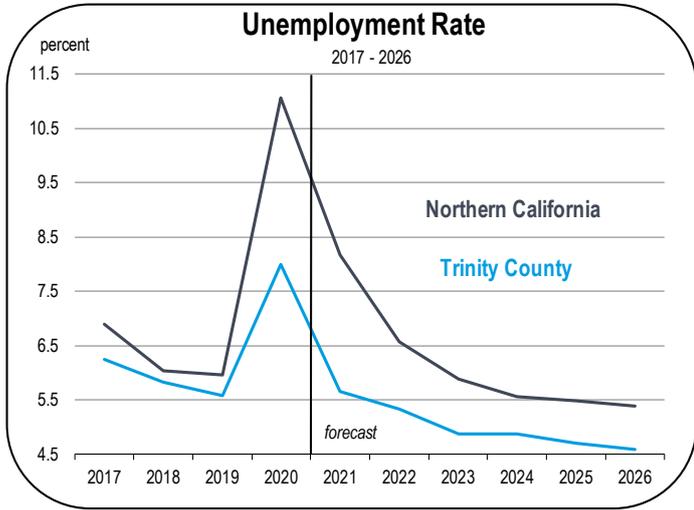
## Population Growth

- The Trinity County population has declined relatively consistently since 2007, when it had almost 13,800 residents.
- As of 2020, Trinity County had 13,291 residents.
- Trinity County's population is much older than the statewide average, with a much higher share of residents over the age of 75.
- Because Trinity County has a large share of residents aged 75 and older, the number of deaths now exceeds the number of births.
- Between 2021 and 2026, the number of people moving into Trinity County is expected to exceed the number of residents moving out of the County, but because deaths will exceed births, the overall population will decline.

- The population is expected to decline by -0.4 percent per year over the next six years. By 2026, the county will have approximately 13,000 residents.
- Sustained population loss will put Trinity County at risk of economic stagnation.
- A declining population can reduce the number of consumers for local businesses, lead to lower demand for school teachers and government services, and constrain tax revenues.
- Over the long term (through 2030), the local labor market is not expected to generate a meaningful number of jobs, with population declines contributing to stagnant economic activity.



# Trinity County Economic Forecast

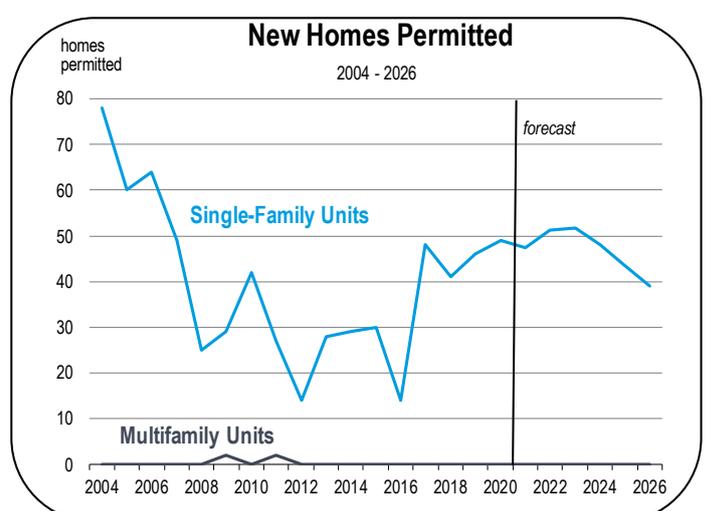
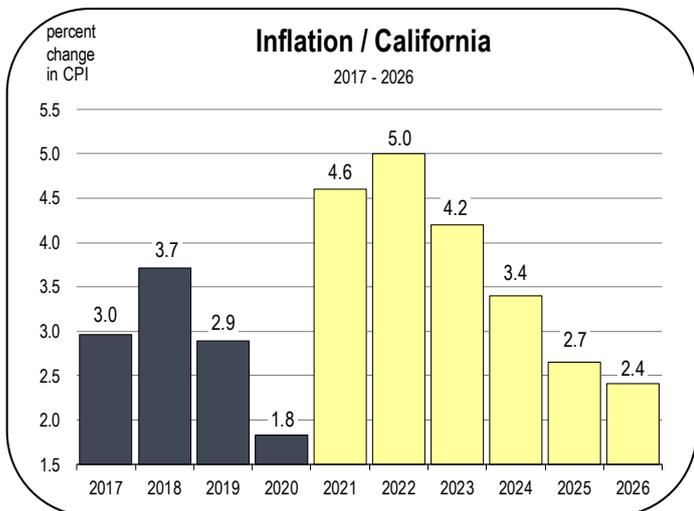


## Unemployment and Inflation Rates

- The unemployment rate in Trinity County averaged 8.0 percent in 2020. It is expected to average 5.6 percent in 2021 and 5.3 percent in 2022.
- Inflation decelerated sharply in 2020, largely because energy prices declined when the demand for fuels plunged. It soared in 2021 and is expected to remain elevated for several years.
- Ultimately, inflation will reduce the purchasing power of households and negatively impact consumer confidence, limiting the growth potential of the economy in 2022.
- However, inflation will begin to decelerate as supply chains and the labor force are restored by the second half of the forecast period, eventually falling below 3 percent.

## Home Prices and New Housing Production

- In 2020, the median home price in Trinity County was \$221,800, an increase of 5 percent from the previous year.
- The median price is expected to increase very quickly in 2021 as the number of homes on the market plummets and the number of house hunters grows.
- Price appreciation should slow down in 2022, but the median price could surpass \$275,000 by 2026.
- From 2015 to 2020, an average of 38 new homes were started per year. All were single-family homes.
- Housing production is expected to average 40 to 50 units per year from 2021 to 2026, consisting entirely of single-family homes.



# Trinity County Economic Forecast

## Economic Indicators

## 2015-2020 History, 2021-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (millions)	Taxable Retail Sales (millions)	Total Taxable Sales (millions)	Real Industrial Production (millions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (millions)	Inflation Rate (percent)
2015	13,556	6.1	-20	30	20.7	\$462	\$73	\$111	\$56	\$39,023	7.9	\$3.8	1.4
2016	13,489	6.1	8	14	20.9	\$469	\$78	\$114	\$71	\$38,912	7.1	\$3.9	2.3
2017	13,454	6.1	-7	48	20.1	\$477	\$77	\$112	\$90	\$38,534	6.3	\$3.9	3.0
2018	13,385	6.2	-47	41	19.7	\$506	\$74	\$104	\$78	\$39,578	5.8	\$3.9	3.7
2019	13,374	6.2	55	46	19.8	\$522	\$78	\$107	\$71	\$39,709	5.6	\$4.0	2.9
2020	13,291	6.3	6	49	19.6	\$510	\$98	\$141	\$71	\$38,408	8.0	\$4.1	1.8
2021	13,256	6.3	31	48	19.6	\$557	\$102	\$144	\$75	\$40,929	5.6	\$6.6	4.6
2022	13,211	6.3	22	51	19.5	\$575	\$104	\$146	\$75	\$41,173	5.3	\$8.8	5.0
2023	13,160	6.3	19	52	19.5	\$598	\$108	\$152	\$75	\$41,974	4.9	\$10.8	4.2
2024	13,103	6.4	18	48	19.4	\$618	\$113	\$159	\$77	\$42,513	4.9	\$14.3	3.4
2025	13,043	6.4	17	44	19.3	\$636	\$114	\$161	\$77	\$42,919	4.7	\$16.8	2.7
2026	12,982	6.4	17	39	19.3	\$655	\$117	\$165	\$78	\$43,439	4.6	\$18.8	2.4
2027	12,925	6.4	22	37	19.2	\$673	\$121	\$170	\$78	\$43,892	4.5	\$20.8	2.2
2028	12,868	6.5	23	37	19.1	\$691	\$124	\$175	\$78	\$44,317	4.5	\$24.0	2.3
2029	12,816	6.5	28	36	19.1	\$710	\$128	\$181	\$79	\$44,663	4.5	\$27.0	2.2
2030	12,764	6.5	29	35	19.0	\$729	\$130	\$183	\$79	\$45,021	4.5	\$29.4	2.2
2031	12,716	6.5	29	34	18.9	\$747	\$132	\$186	\$79	\$45,382	4.5	\$31.5	2.3
2032	12,669	6.5	31	33	18.9	\$767	\$135	\$190	\$80	\$45,712	4.5	\$33.5	2.2
2033	12,624	6.6	31	31	18.8	\$785	\$137	\$193	\$79	\$46,075	4.5	\$35.3	2.0
2034	12,581	6.6	34	30	18.8	\$805	\$140	\$197	\$79	\$46,425	4.5	\$36.8	2.1
2035	12,540	6.6	35	29	18.7	\$826	\$143	\$202	\$79	\$46,758	4.5	\$38.1	2.1
2036	12,500	6.6	35	29	18.7	\$849	\$148	\$208	\$79	\$47,022	4.5	\$39.1	2.2
2037	12,460	6.6	35	28	18.6	\$874	\$152	\$214	\$79	\$47,262	4.5	\$39.9	2.2
2038	12,418	6.6	35	28	18.6	\$898	\$156	\$219	\$79	\$47,530	4.5	\$40.8	2.2
2039	12,377	6.7	35	27	18.5	\$923	\$161	\$226	\$79	\$47,756	4.5	\$41.4	2.2
2040	12,337	6.7	35	27	18.5	\$949	\$166	\$233	\$79	\$47,993	4.5	\$41.9	2.1
2041	12,298	6.7	35	26	18.4	\$973	\$170	\$240	\$80	\$48,294	4.5	\$42.2	2.2
2042	12,262	6.7	35	26	18.4	\$996	\$175	\$246	\$80	\$48,606	4.5	\$42.5	2.1
2043	12,229	6.7	35	25	18.4	\$1,020	\$180	\$253	\$81	\$48,926	4.5	\$42.7	2.0
2044	12,197	6.7	35	25	18.3	\$1,043	\$184	\$259	\$81	\$49,266	4.5	\$42.8	2.2
2045	12,168	6.7	35	24	18.3	\$1,067	\$189	\$265	\$81	\$49,582	4.5	\$42.9	2.2
2046	12,141	6.8	35	24	18.2	\$1,093	\$194	\$272	\$82	\$49,869	4.5	\$42.9	2.2
2047	12,115	6.8	35	23	18.2	\$1,120	\$198	\$278	\$82	\$50,109	4.5	\$42.9	2.2
2048	12,089	6.8	35	23	18.2	\$1,148	\$203	\$285	\$83	\$50,331	4.5	\$43.0	2.3
2049	12,063	6.8	35	22	18.2	\$1,174	\$207	\$291	\$83	\$50,588	4.5	\$43.0	2.0
2050	12,040	6.8	35	22	18.1	\$1,202	\$212	\$297	\$83	\$50,819	4.5	\$43.0	2.1

## Employment Sectors

## 2015-2020 History, 2021-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade (jobs)	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
2015	2,740	23	98	214	0	423	48	0	0	271	323	1339
2016	2,720	18	70	223	0	424	50	0	0	276	319	1341
2017	2,690	10	78	219	0	423	48	0	0	272	338	1303
2018	2,650	12	88	201	0	363	42	0	0	278	342	1321
2019	2,670	13	92	196	0	373	43	0	0	282	340	1330
2020	2,550	25	105	194	0	367	38	0	0	272	269	1279
2021	2,640	32	104	199	0	374	41	0	0	284	303	1303
2022	2,700	37	123	203	0	386	41	0	0	297	318	1300
2023	2,740	40	132	205	0	391	41	0	0	302	330	1296
2024	2,740	41	137	207	0	394	41	0	0	308	331	1283
2025	2,730	42	133	206	0	393	41	0	0	313	332	1271
2026	2,730	42	129	206	0	393	41	0	0	318	332	1270
2027	2,720	42	128	205	0	395	41	0	0	323	328	1258
2028	2,710	41	127	204	0	397	41	0	0	328	325	1250
2029	2,710	42	126	204	0	399	41	0	0	332	324	1243
2030	2,710	43	126	205	0	399	41	0	0	337	324	1237
2031	2,710	44	124	204	0	400	41	0	0	341	324	1233
2032	2,710	45	124	204	0	400	41	0	0	346	324	1230
2033	2,710	46	121	203	0	401	41	0	0	350	323	1227
2034	2,720	47	121	202	0	402	41	0	0	354	323	1226
2035	2,720	48	120	200	0	403	41	0	0	357	323	1225
2036	2,720	49	119	199	0	405	41	0	0	361	323	1225
2037	2,730	50	119	200	0	405	41	0	0	365	322	1224
2038	2,730	51	118	200	0	405	41	0	0	368	321	1223
2039	2,730	52	118	201	0	405	41	0	0	372	321	1222
2040	2,730	52	117	201	0	406	41	0	0	375	320	1220
2041	2,730	52	117	201	0	406	41	0	0	378	319	1218
2042	2,730	52	117	202	0	407	41	0	0	382	319	1216
2043	2,740	52	116	202	0	408	41	0	0	385	319	1213
2044	2,740	53	116	202	0	409	41	0	0	388	318	1211
2045	2,740	53	115	202	0	409	41	0	0	390	318	1208
2046	2,740	53	115	203	0	410	41	0	0	393	317	1206
2047	2,740	53	114	203	0	410	41	0	0	396	316	1203
2048	2,740	53	114	203	0	410	41	0	0	398	316	1200
2049	2,730	53	114	203	0	410	41	0	0	401	316	1197
2050	2,730	53	113	204	0	410	41	0	0	403	315	1195

# Trinity County Economic Forecast

## Socioeconomic Indicators

